



U.S. Department
of Transportation
**Federal Highway
Administration**

Memorandum

Subject: **INFORMATION:** Documentation of the Priority of Selection of Projects for Funding Under the American Recovery and Reinvestment Act Located in Economically Distressed Areas in Iowa Date: May 5, 2009

From: Max G. Grogg, P.E.
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In Reply Refer To:
HDA-IA

To: Mr. Lubin Quinones
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In the American Recovery and Reinvestment Act (Recovery Act) signed by President Obama on February 17, 2009, the legislation contains the statement that,

Provided further, That in selecting projects to be carried out with funds apportioned under this heading, priority shall be given to projects that are projected for completion within a 3-year time frame, and are located in economically distressed areas as defined by section 301 of the Public Works and Economic Development Act of 1965, as amended (42 U.S.C. 3161):

The FHWA Iowa Division and Iowa DOT met twice to discuss this issue as candidate projects for Recovery Act funding were under consideration. Potential Recovery Act projects were mapped by the Division in relation to counties that FHWA had identified as economically distressed areas (EDA). This initial mapping was supplied to the Iowa DOT for their consideration as projects were selected. The Iowa DOT gave priority to projects contained in the identified counties in their selection; approximately 78 percent of Recovery Act project funding on the state system is located in counties identified as an EDA. Iowa is allocating \$5 million for rail and economic development projects related to rail. The competitive application for these projects included a consideration of EDAs.



The distribution of Recovery Act funding to local public agencies in Iowa was handled through the same standardized suballocation process to Metropolitan Planning Organizations (MPOs) and Regional Planning Affiliations (RPAs) as is used for distribution of regular Surface Transportation Program funds. This process was established after ISTEA and results in a specific target for each MPO and RPA across the state so that funding is distributed equitably. Those agencies use various means of sub-distribution ranging from competitive application processes to simple division among the members. Although specific priority was not given to the EDAs by the planning agencies, the funding allocation method by its design results in a statewide distribution that alone results in having Recovery Act funded projects in EDAs.

Considering the total discretionary Recovery Act funding allocated to Iowa (\$336,936,215), if both state and local projects are considered approximately 59 percent of Recovery Act funding is located in counties identified as an EDA.

cc:

Kevin Mahoney, Iowa DOT

Stuart Anderson, Iowa DOT